



Aalborg Universitet

AALBORG UNIVERSITY
DENMARK

Making or letting managers manage what it means to manage A longitudinal Investigation of the changing role of central government in the Institutionalization of public management

Rennison, Betina Wolfgang; Agger Nielsen, Jeppe; Houlberg Salomonsen, Heidi

Publication date:
2014

Document Version
Early version, also known as pre-print

[Link to publication from Aalborg University](#)

Citation for published version (APA):

Rennison, B. W., Agger Nielsen, J., & Houlberg Salomonsen, H. (2014). *Making or letting managers manage what it means to manage A longitudinal Investigation of the changing role of central government in the Institutionalization of public management*. Abstract from European Group of Organization Studies, Rotterdam, Netherlands.

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal -

Take down policy

If you believe that this document breaches copyright please contact us at vbn@aub.aau.dk providing details, and we will remove access to the work immediately and investigate your claim.

Making or letting managers manage what it means to manage

A longitudinal Investigation of the changing role of central government in the Institutionalization of public management

*By Betina Wolfgang Rennison, Jeppe Agger Nielsen & Heidi Houlberg Salomonsen,
Aalborg University, Denmark*

Short paper to be submitted to
30th *European Group of Organizational Studies* (EGOS) Colloquium
(Sub-theme 06: (SWG) Reconceptualizing Contemporary Public Services Organizations)

Rotterdam, The Netherlands

July 3–5 2014

Abstract

This paper examines the institutionalization of public management in Denmark over a period of thirty years. Based upon a longitudinal design lens we demonstrate how the central Government played a crucial role in both legitimating and facilitating the institutionalization of public management as a profession and a ready-to-wear concept. In addition we demonstrate how the role of central Government shifted over time from being an agenda setter in the 1980ies and core driver in the 00ies to now becoming a more subtle facilitator. While Government in the wake of the financial crisis obviously is taking a more prominent role in many sectors, this study illustrates another development characteristic in which central government control-efforts are diminishing or taking on a role of the facilitating state.

Introduction

In 1997 the American professor Donald F. Kettl announced “The Global Revolution of Public Management” (i.e. New Public Management (NPM)) by distinguishing between; 1. “making managers manage”; in which managers are forced to manage and educated to do so. And 2; “letting managers manage”, in which politicians and Government bodies are expected to give the managers permission to act as managers on their own, with the freedom and power to define and handle it by themselves (Kettl 1997). This article investigates how this “revolution of Public Management” took place in a historical, empirical setting in Denmark. Most accounts focus on the effects of New Public Management (NPM) initiatives, for instance discussing whether NPM is about convergence or divergence (e.g., Pollitt, 2001; Politt & Bouckaert, 2000; Lægreid & Christensen, 2002). Less attention has been given to understand how this change process was brought about and how it affected the whole institutionalization as the discursive construction of public management. Hence, following Langley (1999) we focus on process as an explicit lens within which we can address how public management was institutionalized as a profession and as a ready-to-wear (Scott and Meyer 1983) concept.

We empirically delimit our study to the field of public management policy papers; shedding light on how public management was conceptualized and institutionalized over a thirty year period (1980-2013) in the Danish public sector. Over that period the meaning of public management changed dramatically. In the light of NPM public management was first seen as a disciplinary *profession* in its own right with specific business-like competences. It then changed to a more comprehensive and multidisciplinary concept turning management into a kind of *polyphony*. And finally today management is constructed as a form of relational *practice* getting its meaning and form from the local managerial interactions in the actual working place. This transformation involved a dynamic process of change with multiple stakeholders with sometimes conflicting interests. Nevertheless, our primary interest is in the role played by the central government, who played a crucial yet changing role in legitimating and facilitating

this process of conceptualizing management. Accordingly, we pose the following research question:

How has the conceptualization of public management and the expectations for the public manager changed since NPM's launch of the concept in the eighties (substance-focus) – and which changing roles does Government play in this construction of management ideals (process-focus)?

This form of questioning reflects an epistemological view on management as a discursive construction. Hence, this article conceptualize management as a social-semantic construction; a “floating signifier” (Koselleck 1982, Lacan 1985, Laclau 1996, Saussure 1990), which gets its episodic substance from the historical discourses that form and add meaning to the concept at a given time. This implies that the dispositions, actions and attributes that constitute ‘management’ have no natural form, but emerges as a result of a formative semantic process. Drawing on institutional process literature (Tolbert & Zucker 1996; Greenwood et al. 2002) our study demonstrates how discourses shifted over time as public management was transformed from a taboo to a necessity. During this process, the role of Government took different forms from being an *agenda setter* in the 1980ies and *core driver* in the 00ies – by centrally installing management and *making* managers manage – to now becoming a more *subtle facilitator* in *letting* the public managers decide more or less on their own what management means for them in a local praxis. While Government in the wake of the financial crises obviously is taking a more prominent role in many parts and sectors of society, this study of public management institutionalization illustrates how government control-efforts are diminishing or taking on the role of a facilitating state changing its strategy of power from a disciplinary power, over a pastoral power towards a power of “Governmentality”; where autonomy becomes the precondition for steering (Dean 1999).

Theoretical framework

Institutional change and the role of Government

In institutional theory, several process models of institutional change are outlined (Tolbert & Zucker 1996; Greenwood et al. 2002; Hargrave and Van De Ven 2006). A prominent one by Greenwood et al. (2002) outline six stages of institutionalization within organizational fields in which theorization is outlined as a key activity in bringing legitimacy to new ideas (Greenwood et al. 2002). Theorization activities are performed through articulations by using specific rhetoric and discourses. Through theorization new ideas become abstracted and simplified which make them adoptable for other organizations (Strang & Meyer, 1993).

In this sense new ideas may be justified by aligning them with normative prescriptions and theorization involving two major types of activities (Tolbert and Zucker 1996; Greenwood et al. 2002): a) specification of a general “failing” for which the idea is a solution, thus giving the idea “pragmatic” legitimacy, b) justification of an abstract solution by aligning the idea within prevailing normative prescriptions, thus giving the idea “moral” legitimacy. Accordingly, Greenwood et al. (2002) argue diffusion only progresses if new ideas are persuasively articulated as more appropriate than existing arrangements.

It is also important who takes active part in the process of theorization, and thereby legitimate new ideas. As noted by Hargrave and Van De Ven (2006: 876): “As ideas are adopted and supported by powerful actors, they gain the legitimacy and power to change institutions.” Consequently, the literature emphasizes a variety of key stakeholders, such as government authorities, professional associations, international agencies, fashion-setting organizations, researchers, best-practice organizations, mass media, and consultants who may play important roles during the process of legitimizing new ideas and concepts.

Regulatory agencies, such as central Government, are critically important in the theorization and institutionalization process because they can use a number of different mechanisms in order to promote and institutionalise their idea (Greenwood et al., 2002).

Based upon the idea of DiMaggio and Powell's (1991) on institutional forces we argue that both coercive and normative forces are of relevance to central governments (Ashworth et al., 2009:168).

Design and Method

In investigating the historic conceptualization of public management and the role of government in this process, the empirical analysis represents a longitudinal study, setting off in the beginning of the nineteen-eighties where the concept of management emerges for the first time in a Danish public context (Rennison 2007, 2012) and ending at today's conceptualization efforts. The empirical data consists of policy papers, e.g. laws, reports guidelines, white papers, books, reviews and memoranda, published by and in relation to the political-administrative system in Denmark (from 1980 till 2013). The volume of the empirical sources follows certain characteristic "monuments" (Foucault 1998), i.e., texts that stick out in history like particular pivotal points, the most central texts, which other texts refer to, texts that stand out and indicate a difference in conceptualization of public management.

In the subsequent analysis based on the empirical material we present three different conceptualizations of public management suggested by the central government over the studied period of time.

Analysis

Phase 1 (1980-2000): Government as agenda setter: Time for softening a taboo

Like in other western countries the government of Denmark was inspired by the New Public Management paradigm (NPM), evolving from the eighties, to softening a taboo: Management. Until then management in the public sector was hardly an issue. The 'rule of law' of the legislators and the professionals figure of 'primus inter pares' made

management as an independent discipline almost unthinkable. Of course management was done, but not widely deliberated. No one discussed management skills or general managerial ideals. Management was an individual problem – not of public interest. As we all know, this has indeed changed. With the emergence of NPM, norms from the business world and more management-oriented thinking found their way into the discourse and attempted to drive out the more traditional administrative principles, which is now dismissed by the discourse for being ‘old-fashioned’ and ‘outdated’. In this sense public management was articulated as more appropriate than “administration” as part of theorizing change (Greenwood et al. 2002).

The semantic break from public administration to public management signal new times coming and installing the concept of ‘professional management’ as the cardinal point for a realization of the Governments ideals of modernization programs regarding ‘efficient organizations’, ‘attractive workplaces’, and ‘flexible service enterprises’. Management is coupled to the new modernization policy – in other words: policy becomes a matter of management and management a matter of policy. The management of public enterprises becomes a part of a society-wide political decision-making process. Management becomes a societal institution of increasing significance. It becomes a public matter, initiated by the central government, but debated and assessed by everyone.

Phase 2 (2000-2010): Government as core driver: Time for formalizing norms

After a period of setting the agenda of management and producing a number of rapports on the matter, the new millennium calls for an institutionalization of emerging management ideals. It was time to condense the diverse concept suggestions in some common guidelines. As it is said;

"We need a common picture of the characteristics of good management. Everything is not as good as everything! Some forms of management are better than others. Good public management has been on the agenda for many years, but there has

been a need for the pinpointing of what it includes." (Det Fælleskommunale Kvalitetsprojekt 2008a: 3, author translation).

Thus, the period is characterized by policy-documents created by central political institutions, which spell out general norms and expectations for public management. The formalization of management norms is ambitious but also quite ambiguous. 1. The norms sets a general standard yet for individual reflection; "This is what you ought to do to become a good public manager", the advice sounds (Det Fælleskommunale Kvalitetsprojekt 2008a: 5). The norms are turned towards all, but addressed to the individual. 2. The norms are universal, but also contextual in that they require "meaningful local interpretations" and call "to be put at risk" (Det Fælleskommunale Kvalitetsprojekt 2008a: 8, 10). 3. The norms are filled with values, at the same time highlighting to be "value-neutral" by virtue of their local embodiment. 4. The norms are neither mandatory, nor entirely optional – as a form of "soft law", they positions themselves precisely as norms you ought to follow, not rules you shall obey. 5. And finally the norms do not indicate generic standards and eternal truths, while they are more than just loose ideas and flash in the pan. Even though the norms expresses certain management ideals, it is made clear, that they are not "an answer book or a new smart toolbox of ready-made solutions for good management" (Pedersen and Holte 2005: 27). The time has come to break up with the former periods NPM-hegemony, and the one-sided way of conceptualizing management as a generic profession designed and dominated by business-like rationality.

Phase 3 (2010-): Government as subtle facilitator: Time for withdrawal

In recent years the discourse concerning the conceptualization of management seems to have shifted its focus from governmental levels and general codes to local levels and everyday experimental practices. The current management semantic emphasizes that management is not a completely developed concept to which the manager can merely refer. Management is not something you can "find on the shelf". The manager must "find

his own platform for management” (Finansministeriet 2000d: 9f). The focus shifts from the former periods ‘making’ managers manage, to a time for withdrawal, for ‘letting’ managers manage, whereas the central agencies appeal to the managers of public organizations to take responsibility for the self-construction of management. In this respect the ideal for management in this phase constructs management as a situation- and person-dependent entity, whereby managers themselves and in line with the daily interactions with local stakeholders determine what management is (and live with the consequences, so to speak).

This phase is characterized by a kind of skepticism towards or constipation with all the written words, all the narratives, theories and conceptual models dominating the management field. As it is expressed in a conference invitation;

”We will guarantee you one think. You won’t get any nice and needy and complicated theories here. Neither some overestimated tools which do nothing but take the focus away from what management really is about. Instead it will be head-on. With focus on your own concrete challenges and on that which works for you.” (Leder DNA netværket, 2010, www.lederweb.dk).

The signal is clear: The days of idealization of general and generic management-principles are gone. Now we need to be pragmatic and sensitive towards the local situation; ‘what really works in a given practice?’ ‘We have talked and thought a lot, conceptualized even more, now let’s act’, seem to be the refrain among both management-governmental designers and performing managers of today.

Conclusion & challenges

This paper has shown that Public Management as a concept historically has changed from being a pre-determined role set by governmental procedures and norms, to a local process of self-constitution. We have outlined three phases; summed up in the table below.

	PHASE 1 (1980-2000)	PHASE 2 (2000-2010)	PHASE 3 (2010-)
<i>Role of Government in the conceptualizing process</i>	Agenda setter	Core driver	Subtly facilitator
<i>Steering strategy; form of power</i>	Disciplinary education	Pastoral value setting	Autonomy-based governmentality
<i>Role of local managers in the conceptualizing process</i>	Implementer; adoption	Interpreter; adaption	Constructor; transformation
<i>Understanding of public management</i>	An independent profession	An multi-disciplined polyphony	A local praxis
<i>Methods in making meaning of management</i>	Deduction; normative presuming	Reflection; analytical thinking	Proflection; experimental doing
<i>Core theorization activities</i>	Traditional administrative principles, presented as 'old-fashioned' and 'outdated'. ('pragmatic' legitimacy)	Public management presented as a "necessity", but some forms of management are articulated as better than others	Public management presented as a sophisticated concept emphasizing the individual manager as the core responsible for continuously developing management practices

The change in the institutionalization of management brings out some challenges to be dealt with in the actual setting between central and local levels. Such as;

- How does the local manager manage the duty of taking on the freedom of creating management? How to master the complexity in a managerial position with multiple positions; different wills, values, vocabularies and ways of doing things?
- How to create a management-form that makes room for personal authenticity and originality, while accepted and recognizable from the outside; incl. the central

level? There is more identity in being different, but where is the limit of deviation? How far can the local creation of management take its mandate? When does freedom become 'civil disobedience'?

- How does government legitimately manage the managers that manage themselves? How to let go, yet still holding on; in setting free on management praxis, yet still controlling on its effects? How does the state avoid being schizophrenic in this process?

References

- Ashworth, R., Boyne, G., & Delbridge, R. (2009). Escape from the iron cage? Organizational change and isomorphic pressures in the public sector. *Journal of Public Administration Research and Theory*, 19(1), 165-187.
- Bennis, W. (1989). *On becoming a Leader*, New York: Addison Wesley.
- Dean, M. (1999). *Governmentality. Power and Rule in Modern Society*. London, Thousand Oaks New Delhi: SAGE.
- Det Fælleskommunale Kvalitetsprojekt (2008a): *At have og arbejde med kodeks*. Copenhagen.
- Det Fælleskommunale Kvalitetsprojekt (2008b): *Kodeks for god ledelse – værktøj til udvikling af eget lederskab*. Copenhagen.
- DiMaggio, P.J., & Powell, W.W. (1991). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. In W.W. Powell, & P.J. DiMaggio (Eds.), *The new institutionalism in organizational*. Chicago: University of Chicago Press
- Finansministeriet (2000d): *Kvalitet og effektivitet i velfærdssamfundet*. Et debatoplæg, Regeringen.
- Foucault, M. (1998). The order of Things, in Faubion, J.D. *Michel Foucault, Essential works of Foucault 1954-1984, vol. 2, Aesthetics, method and Epistemology*, England, New York, Allen Lane: The Penguin Press.
- Kettl, D.F. (1997). The Global Revolution in Public Management. *Journal of Public Policy Analysis and Management* 16, 446-462.
- Koselleck, R. (1982). Begriffsgeschichte and social history, *Economy & Society*, vol. 11. London: Routledge & Kegan Poul Ltd.
- Laclau, E. 1996. Why de Empty Signifiers Matter to Politics?, in E. Laclau *Emancipation(s)*, London: Verso.
- Lacan, J. (1985). *Det symbolske*. Oslo: Gyldendal Norsk Forlag.
- Langley A. (1999): Strategies for theorizing from process data. *The Academy of Management Review*, 24(4):691-710.

- Lægreid P. & T. Christensen (2002). *New Public Management. The Transformation of ideas and practice*. London: Ashgate.
- Pedersen, H. og Holte, L. (2005). "Kodeks og sporerne til fremtiden", *Danske Kommuner*, nr. 37. Copenhagen.
- Pollitt, C. & G. Bouckaert (2000). *Public management reform: a comparative analysis*. Oxford University Press.
- Rennison, B. (2007): "Historical Discourses of Public Management in Denmark - Past emergence and Present challenge", *Management & Organizational History*, vol. 2, no. 1, 2007: SAGE.
- Rennison, B. (2011): *Ledelsens Genealogi – Offentlig ledelse fra tabu til trend*, København: Samfundslitteratur.
- Saussure, F.de (1990). *Course in General Linguistics*. London: Duckworth.
- Scott, W. R., and Meyer, J. W. (1983). "The Organization of Societal Sectors: Propositions and Early Evidence," in *Organizational Environments: Ritual and Rationality*, Beverly Hills, CA: Sage Publications, pp. 129-153.

Websites:

www.lederweb.dk